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C O N F I D E N T I A L BRATISLAVA 000525

SIPDIS

DEPT FOR EUR/PRA (CORDOVA), EUR/SCE (KABUMOTO), NEA/ENA
(BUTLER), VC (ELLIOT)
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E.O. 12958: DECL: 05/24/2014

TAGS: [MARR](#) [MASS](#) [ECON](#) [PGOV](#) [PINR](#) [PREL](#) [LO](#)

SUBJECT: POSSIBLE SLOVAK ARMS SALES TO LIBYA, CAMEROON,
YEMEN, AFGHANISTAN, OR AZERBAIJAN

REF: A. STATE 68238

[1](#)B. BRATISLAVA 436

CLASSIFIED BY: DCM SCOTT N. THAYER FOR REASON 1.4 (B).

[1](#)1. (C) SUMMARY AND REQUEST FOR GUIDANCE: PETER PENIASKA, HEAD OF THE SLOVAK ARMS FIRM PETINA INTERNATIONAL, IS SEEKING THE USG POSITION ON POTENTIAL SALES OF SLOVAK MILITARY EQUIPMENT TO LIBYA AND OTHER COUNTRIES. PETINA IS ACTING AS A MIDDLEMAN TO ASSIST THE GOS IN DISPOSING OF STOCKPILED OR SURPLUS MILITARY MATERIEL. HIS PROPOSALS ARE NOT FORMAL GOS INITIATIVES. PENIASKA PROPOSED SELLING T-72 TANK PARTS TO LIBYA. POST REQUESTS GUIDANCE AS TO WHETHER THE USG CONSIDERS THESE LETHAL EXPORTS PER REFTTEL A. WE ALSO REQUEST INFORMATION ON ANY OBJECTIONS THE USG WOULD HAVE TO THE OTHER POTENTIAL SALES, IN ANTICIPATION OF ENGAGING THE SLOVAK AUTHORITIES IF PETINA DECIDES TO MOVE FORWARD. END SUMMARY.

[1](#)2. (C) ON 24 MAY 2004, PETER PENIASKA, HEAD OF THE SLOVAK ARMS FIRM PETINA INTERNATIONAL, ASKED TO SPEAK WITH EMBOFF TO FOLLOW UP ON PRIOR DISCUSSIONS CONCERNING POTENTIAL SLOVAK ARMS SALES (REFTTEL B). PENIASKA, WHO WOULD RECEIVE A COMMISSION ON ANY FUTURE SALES, CONTINUES TO BE SOMEWHAT CRYPTIC AND RELUCTANT TO SHARE DETAILS. WHEN EMBOFF DIRECTLY QUESTIONED HIM ABOUT HIS MOTIVES, HE STATED THAT HE DECIDED TO SPEAK WITH A USG REPRESENTATIVE ON THE ISSUES BELOW AFTER TALKING TO SLOVAK MINISTER OF FINANCE IVAN MIKLOS. IN THE ORIGINAL, EARLIER DISCUSSION, PENIASKA HAD REFUSED TO IDENTIFY POTENTIAL RECIPIENT COUNTRIES FOR THE POSSIBLE SALE OF ASSAULT RIFLES. IN THIS SECOND DISCUSSION, HE AT FIRST DID NOT WANT TO SAY MORE THAN THAT THE COUNTRY WAS LOCATED IN AFRICA. EMBOFF PRESSED HIM, AND HE FINALLY DISCLOSED THAT THE RECIPIENT WOULD BE CAMEROON. (COMMENT: PENIASKA IS CLEARLY TRYING TO GET AN ADVANCE READOUT ON HOW USG WILL REACT SHOULD THE SLOVAK GOVERNMENT DECIDE TO MOVE FORWARD WITH ANY OF THE ARMS SALES DESCRIBED BELOW. END COMMENT.)

[1](#)3. (C) ACCORDING TO PENIASKA, THE SLOVAK GOVERNMENT COULD SELL 30,000 TYPE 58 ASSAULT RIFLES PLUS 40 MILLION ROUNDS OF AMMUNITION TO EITHER AFGHANISTAN OR CAMEROON. IF SOLD TO CAMEROON, THEY WOULD BE DESTINED FOR USE BY THE POLICE OR ARMED FORCES.

[1](#)4. (C) PENIASKA ALSO DESCRIBED A SECOND POTENTIAL ARMS SALE FOR SOME 150 T-72 TANKS, PLUS AMMUNITION. POTENTIAL CUSTOMERS FOR THESE TANKS WERE THE MINISTRY OF DEFENSE (MOD) IN YEMEN OR THE MOD IN AZERBAIJAN. BOTH THESE COUNTRIES HAD EXPRESSED INTEREST IN BUYING THE SLOVAK TANKS, ALTHOUGH THE YEMENI MOD HAD NOT YET PRESENTED AN END USER CERTIFICATE. THE TANKS WERE ABOUT 12 YEARS OLD AND IN EXCELLENT CONDITION, BECAUSE THEY HAD NOT BEEN USED MUCH. ABOUT 50 OF THE TANKS HAD ORIGINAL (RUSSIAN) RANGE FINDERS, AND THE REMAINDER WERE EQUIPPED WITH LASER/OPTICAL RANGE FINDERS.

[1](#)5. (C) A THIRD POSSIBLE SALE OF MILITARY EQUIPMENT IS TO LIBYA. PENIASKA NOTED THAT LIBYA HAD ABOUT A USD 850 MILLION DEBT TO THE CZECH REPUBLIC AND SLOVAKIA; APPROXIMATELY USD 200 MILLION OF THIS WAS DUE SLOVAKIA. PENIASKA NOTED THAT HE HAD RECENTLY MET WITH THE LIBYAN AMBASSADOR TO SLOVAKIA AND THE LIBYAN MILITARY ATTACHE TO DISCUSS WAYS FOR LIBYA TO BEGIN REPAYING THE DEBT GRADUALLY. THE LIBYAN OFFICIALS NOTED THAT THEY NEEDED SPARE PARTS FOR THEIR AGING T-72 TANKS, AND THEY TALKED ABOUT A SPECIFIC POTENTIAL SALE OF TANK SPARE PARTS WORTH USD 12 MILLION. THE SLOVAKS INTENDED TO WORK TOGETHER WITH UNNAMED CZECH ARMS FIRMS TO FULFILL THIS DEAL, SHOULD IT GO FORWARD. PENIASKA HAD SHARED THE DETAILS OF THIS DISCUSSION WITH MINISTER MIKLOS, WHO SAID HE WOULD SUPPORT SUCH A SALE AS LONG AS THE USG WAS NOT OPPOSED. PENIASKA ADDED THAT HE HAD BEEN INVITED TO GO TO TRIPOLI TO DISCUSS DETAILS OF A DEAL AND HAD ORIGINALLY ACCEPTED THE INVITATION, BUT ON THE ADVICE OF MIKLOS HE CANCELLED THE TRIP PENDING A READOUT FROM USG ON POSSIBILITIES OF COMPLETING THIS SALE. PENIASKA CLAIMED THAT IF HE DOES GO TO LIBYA, HE INTENDS TO DISCUSS BROADER ISSUES OF TRADE AND SALES BETWEEN THE TWO COUNTRIES, NOT JUST MILITARY ARMS DEALS. FOR INSTANCE, LIBYA WANTS TO BUILD A POWER PLANT, AND THE SLOVAKS INTEND TO PROPOSE PROVIDING MATERIALS TO HELP WITH THIS PROJECT.

16. (C) COMMENT AND REQUEST FOR GUIDANCE: THE GOS ITSELF HAS NOT ENGAGED US ON ANY POSSIBLE ARMS SALES, SO PENIASKA'S REQUEST FOR USG APPROVAL IS AHEAD OF THE CURVE. NONETHELESS, IN ANTICIPATION THAT THE GOS MIGHT DECIDE TO PURSUE ONE OR MORE OF THE SCENARIOS OUTLINED BY PENIASKA, WE REQUEST GUIDANCE ON THE USG REACTION TO THESE POTENTIAL DEALS.
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